

**MINUTES OF THE MEETING OF THE
UNIFORM COMMERCIAL CODE COMMITTEE
OF THE BUSINESS LAW SECTION
OF THE STATE BAR OF CALIFORNIA**

**Tuesday, August 7, 2007
(9:36 am. to 11:30 a.m.)
Offices of Morrison & Foerster (“MOFO”)**

The August 7, 2007 meeting of the Uniform Commercial Code Committee (the “Committee”) was called to order at approximately 9:30 a.m., with Jim Cochran presiding.

A. ADMINISTRATIVE MATTERS

1. **Roll Call/Attendance**

Please refer to the attendance sheet at the end of the minutes.

2. **Consideration/Approval of June 12, 2007 Meeting Minutes**

The minutes of the June 12, 2007 meeting were approved.

3. **Future Meeting Dates and Sites**

a. September Meeting – the September meeting will be held in person, at the State Bar Annual Meeting at the Anaheim Marriott, on September 28, 2007, from 3:00 p.m. to 5:00 p.m.

b. Future Meetings – Future meetings will be held via video conference at 9:30 a.m. in the offices of Morrison & Foerster, as follows, subject to confirmation of dates and availability of videoconference equipment:

i. Thursday, November 1, 2007

ii. Tuesday, December 4, 2007

4. **Appointment of New Officers**

Jim Cochran announced that the Executive Committee has approved the following officer appointments for next year:

Co-Chairs: Jan Kosel and Wansun Song

Co-Vice-Chairs: Pat Costello and Edith Warkentine

5. **Update on Applications to Committee**

Jim Cochran reported that the Executive Committee will review the Committee's recommendations for new members at its upcoming August 24 meeting. When those appointments have been confirmed, the Committee will still have two vacancies for interim appointments (Class of '09) and three vacancies for the Class of 2010. He encouraged Committee members to contact any of the current or incoming officers with additional recommendations for membership before that time if possible.

B. MAIN AGENDA ITEMS

1. **Report on Recent NCCCUSL Meeting**

Harry Sigman reported on the recent NCCUSL meeting held in Pasadena last week – there was one item of business relevant to this Committee – the drafting committee submitted its report to NCCUSL regarding its past year of work with respect to the receivables convention. Efforts have been made to coordinate the implementation of the convention with Canada and Mexico. Harry also indicated that it appears that UCOTA is not going anywhere – we can be in standby mode.

2. **Hidden Liens Project**

Elliott Hinds reported that the report is complete, and with the assistance of members of the Committee and the Insolvency Law Committee, contents have been reviewed to take into account the length of time over which this report has been written. The Committee discussed how the report should be presented, and in that connection, what types of qualifications should appear in the introduction. Elliott asked for comments by the end of the week of August 13. He will then reconcile the comments he receives with the existing report, and circulate a black line copy. He asked members who had not yet completed their quality check, to do so by the same time so we can have a final product to approve for publication by our next meeting.

3. **Possible New Project**

Wansun Song reported that he was contacted by a state bar attorney on behalf of the California Law Revision Commission, interested in the Committee's assistance in proposing a resolution to the conflict between two statutes – one in the Civil Code and one in the Commercial Code § 3-311 – regarding "payment in full" checks. notation (Civil Code says no and commercial code says yes) – this is not a rush project - they would like to receive our recommendation by early March of 2008. Upon motion duly made, seconded and unanimously carried, a new subcommittee was constituted to be known as the "Full payment Check Subcommittee." Members interested in working on the project should express their interest to Wansun electronically. In addition, Wansun will circulate an e-mail to give incoming Committee members to participate in the project.

4. **Revised Insolvency Committee Proposal on CCP 697.530**

The Committee discussed this Subcommittee's review of the revised Insolvency Committee Proposal on CCP 697.530. After discussion, it was agreed that more information was needed. Ellen Friedman, on behalf of the Insolvency Committee, agreed that there is time to have further discussions because it is not ALP season. Accordingly, the issue was tabled for further discussion at the next Committee meeting, after discussion with Steve Wiese.

C. SUBCOMMITTEE AND OTHER REPORTS

1. **Report on Bogus Filings Letter**

Barry Dubin reported that after the last Committee meeting, which Kathleen Vasquez attended, the letter was revised, was approved by the Executive Committee, and was sent to Kathleen. She has acknowledged receipt of the letter and was very grateful for our work. She also indicated that she intends to participate in future meetings when she does not have a conflict.

2. **Report on Letter regarding AB 1484 (Uniform Trademark Law)**

The Committee voted to approve the letter with Harry Sigman's comments and some minor edits; Barry Dubin will forward it to the Executive Committee Legislative Subcommittee for its consideration at a conference call scheduled for later today. He was urged to make sure that the Executive Committee understands that a hearing will be held on August 20 and approval is needed right away to permit our letter to make any impact.

3. **Report on Letter regarding AB 1168 (UCC Financing Statements)**

The Committee also voted to approve sending a letter regarding AB 1168 to the Executive Committee, and to include Harry Sigman's rough comments with the understanding that they would be incorporated into a new letter as soon as possible.

4. **Debtor Names Subcommittee**

Jan Kosel reported that the Subcommittee held a conference call to discuss the Texas amendment to Article 9 to define a safe harbor for debtors' names. She will circulate a brief memo describing the proposal and the Subcommittee's recommendation regarding potentially sponsoring a similar amendment in California, taking into account the issue of the undesirability of nonuniform amendments to Article 9. Jan Kosel was also asked to circulate material regarding cultural naming norms, for discussion at the next Committee meeting.

5. **Legislation and Case Law Tracking Subcommittee**

Wansun Song reported that there were no further bills that would be of interest to the Committee.

6. **Website Development and E-Communications Subcommittee**

Vasco Morais reported that he would like to put all of the old UCC Committee reports on line. He will follow up regarding how to locate those reports. There was further discussion of the Executive Committee's response to our expert proposal – Jim Cochran will go over the comments with Vasco. Vasco noted he still hasn't heard from Michael Mullin regarding technical issues. Jim and Vasco will prepare an action item list.

7. **Deposit Account Control Agreements Subcommittee**

There was no report.

8. **Uniform Assignment of Rents Subcommittee**

Wansun Song indicated there was still a need for another member for the subcommittee – Peter Burke volunteered.

9. **Publications and Programs Subcommittee**

Barry Graynor and Edith Warkentine will be panelists for the Committee's scheduled program at the State Bar Annual Meeting on UCC and Commercial Law update – September 30, 2007, 8:30 am-9:30 am. Jan Kosel has submitted her debtor names article to the Business Law News. Vasco is still working on his article. Barry Graynor will circulate an updated list of programs and publications for the next meeting.

10. **Liaison Subcommittee**

There was no report.

11. **Commercial Money Center**

Vasco Morais is still working on his article. Harry Sigman noted that for the article to have an impact, it should be complete before the PEB's fall meeting.

12. **Opinions**

Jerry Grossman has not yet completed the proposed form of opinion; this Subcommittee need take no action until the proposed form is made available for review.

D. LIAISON UPDATES

1. **Status Report from Executive Committee**

Pauline Stevens reported that the Executive Committee would like to emphasize to its standing committees its ongoing interest in standing committees providing member services that encourage people to join the BLS – some examples cited were keeping the websites updated (UCC's is not up to date) presenting programs such as webinars, and sending out electronic communications. Vasco Morais stated that he will combine some of the recent Committee projects, such as the letter regarding bogus financing statements, a brief discussion of

the financing statement issues regarding debtors names and social security numbers, and prepare an e-bulletin.

2. **Status Report from Insolvency Law Committee**

Ellen Friedman stated that other than her committee's involvement in the quality review of the hidden liens report and its own proposal (discussed above), there were no other activities to report.

3. **Report from Corporations Committee**

There was no report.

There were no other liaison reports.

E. OTHER ITEMS NOT ON AGENDA

None.

The meeting was adjourned at approximately 11:15.a.m.

Attendance at the August 7, 2007 Meeting:

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| Jim S. Cochran | Present |
| Barry A. Dubin | Present |
| Janice E. Kosel | Present |
| Wansun Song | Present |
| Harry C. Sigman | Present |
| Ariel Berrios | Absent |
| Karl H. Christiansen | Absent |
| Kevin C. Cops | Present |
| Patrick Costello | Present |
| Jennifer Dinkelman | Absent |
| Francis X. Ferrer | Absent |
| Barry A. Graynor | Present |
| Elliott Hinds | Present |
| Vasco H. Morais | Present |
| John C. Oehmke | Present |
| Theotis F. Oliphant | Present |
| Brenda H. Ruttenberg | Absent |
| Robert Sherman | Absent |
| Robert A. Trodella, Jr. | Absent |
| Demetria Vong-Spillan | Present |
| Edith R. Warkentine | Present |
| Troy Zander | Present |
| Pauline M. Stevens (Ex Com Liaison) | Present |
| Ellen Friedman (Insolvency Law Committee liaison) | Present |
| Nina Hong (Corporations Committee liaison) | Present |

Also present:

Peter Burke.